

Message Text

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PAGE 01 PANAMA 03383 092026Z

64

ACTION ARA-10

INFO OCT-01 ISO-00 USIA-06 AID-05 FS-01 PER-01 ABF-01 A-01

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R 091946Z JUN 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 4129

LIMITED OFFICIAL USE PANAMA 3383

ATTN: ARA/MGT AND PER/PCE/PPM/LP

EO 11652: N/A

TAGS: APER, AFSP, PN

SUBJ: THIRTEENTH MONTH BONUS

1. A FULL SCALE WAGE SURVEY CONDUCTED IN APRIL REVEALS THAT SALARIES SHOWN ON THE LOCAL COMPENSATION PLAN DATED APRIL 28, 1974, ARE COMPETITIVE WITH THOSE OF PROGRESSIVE EMPLOYERS IN THE PRIVATE PANAMANIAN BUSINESS SECTOR. NO SALARY CHANGES IN THE PRESENT PLAN WILL BE RECOMMENDED AT THE PRESENT TIME.

2. THE WAGE SURVEY DID SHOW NEED FOR REALIGNMENT AND RECLASSIFICATION OF A NUMBER OF POSITIONS. THE FINDING WILL NECESSITATE SOME PROMOTIONS TO NEW RECLASSIFICATION LEVELS.

3. PAGE 2 OF LOCAL COMPENSATION PLAN IS BEING AMENDED TO REFLECT AN INCREASE FROM 7 PERCENT TO 10.15 PERCENT AS THE U.S. GOVERNMENT CONTRIBUTION TO PANAMANIAN SOCIAL SECURITY SYSTEM RETROACTIVE TO APRIL 1, 1975 AS APPROVED BY STATE 110704, MAY 13.

4. APPROVAL NOW IS REQUESTED TO FURTHER AMEND THE PRESENT PLAN BY SUBSTITUTING FOLLOWING WORDING FOR THAT APPEARING IN ATTACHMENT THREE OF THE PLAN
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PAGE 02 PANAMA 03383 092026Z

UNDER THE HEADING BONUS PAYMENT PLAN. QUOTE BONUS

PAYMENT PLAN (REVISED JUNE 1975). A THIRTEENTH MONTH BONUS IS PAYABLE TO LOCAL (FSLE) EMPLOYEES EACH YEAR ON THE FIRST THURSDAY OF DECEMBER. EACH LOCAL EMPLOYEE WHO WILL HAVE BEEN IN PAY STATUS FOR TWELVE (12) CONSECUTIVE MONTHS OF THE BONUS YEAR WILL RECEIVE A PAYMENT EQUIVALENT TO ONE-TWELFTH (1/12TH) OF HIS ANNUAL BASIC SALARY AS SET FORTH IN THE LOCAL COMPENSATION PLAN. A LOCAL EMPLOYEE WHO HAS NOT BEEN IN PAY STATUS FOR TWELVE (12) CONSECUTIVE MONTHS OF THE BONUS YEAR WILL RECEIVE EITHER THEN OR AT TIME EMPLOYMENT CEASES, IF EARLIER, ONE-TWELFTH (1/12TH) OF THE TOTAL BASIC SALARY EARNED BY HIM OR HER DURING THE BONUS YEAR. THE BONUS YEAR SHALL BE THE SAME AS THE LEAVE YEAR A SHOWN ON EXHIBIT 561.1, 4 FAM. LWOP GRANTED A FEAMLE EMPLOYEE FOR MATERNITY ABSENCE SHALL NOT DISQUALIFY THAT EMPLOYEE FROM ACCRUING BONUS DURING THE PERIOD OF MATERNITY ABSENCE. UNQUOTE. THIS AMENDMENT WOULD PLACE THE EMBASSY IN GREATER CONFORMITY WITH THE PANAMANIAN LABOR CODE WHICH PROVIDES FOR THE THIRTEENTH MONTH PAYMENT TO BE CALCULATED ON BASIC SALARY, OVERTIME PAY, COMMISSIONS, ETC. THE THIRTEENTH MONTH BONUS PAYABLE IN DECEMBER 1975 WOULD BE BASED ON THIS NEW FORMULA. ADDITIONAL ANNUAL COSTS TO OFFICES FOR PROPOSED CHANGE WILL BE AS FOLLOWS:

OFFICE COST OF DEC 74 BONUS EST. INCREASED COST FOR DEC 75 BONUS

EMBASSY	\$17,259	\$1,436
USIS	10,339	860
USAID	32,582	2,992

5. ALTHOUGH LOCAL EMPLOYEE REPRESENTATIVES PARTICIPATED IN THE WAGE SURVEY, INCLUDING ANALYSES OF MATERIAL COLLECTED, THERE IS CONSIDERABLE DISAPPOINTMENT AMONG LOCAL EMPLOYEES THAT STUDY HAS NOT RESULTED IN GENERAL SALARY INCREASE. ACCORXINGLY, MISSION ANXIOUS TO EFFECT ACTION DESCRIBED IN FOREGOING PARAGRAPH 4.

6. USAID AND USIS CONCUR IN THIS MESSAGE.

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PAGE 03 PANAMA 03383 092026Z

7. AN EARLY REPLY REQUESTED.
JORDEN

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NNN

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